

6 MAY 2011

ASX : NAE

ASX ANNOUNCEMENT**COLOMBIAN COAL PARTNERSHIP WITH AURORA ENERGY**

New Age Exploration Limited (“NAE”) is pleased to announce the formation of an exclusive partnership with Aurora Energy S.A. (“Aurora”), a leading supplier of mining and processing equipment and consultancy services within the Colombian coal sector. The NAE-Aurora partnership has been formed to pursue thermal and coking coal projects within Colombia.

Highlights

- **Exclusive Colombian partnership agreement signed with Aurora**
- **The partnership aims to acquire and develop an attractive portfolio of Colombian thermal and coking coal projects**
- **Aurora and its partners are a leading supplier of mining, mineral processing, safety and rescue equipment and consulting services to the Colombian coal mining sector and has been active in Colombia for over 25 years**
- **Aurora and its partners maintain an extensive network of over 100 Colombian mining clients**
- **Aurora has significant experience in underground mining mechanisation and coal processing technology**

Commenting on the recently signed agreement, NAE’s Managing Director Gary Fietz said; “The partnership with Aurora represents a significant milestone for NAE and has been established to take advantage of the exciting investment opportunities that exist in the thermal and coking coal sectors within Colombia.”

“We are very excited by the potential of our partnership with Aurora, which allows NAE to utilise Aurora’s in depth knowledge of Colombian coal projects. Additionally, it provides us with access to Aurora’s extensive client network in Colombia, opening up a pipeline of potentially attractive projects for us to evaluate.”

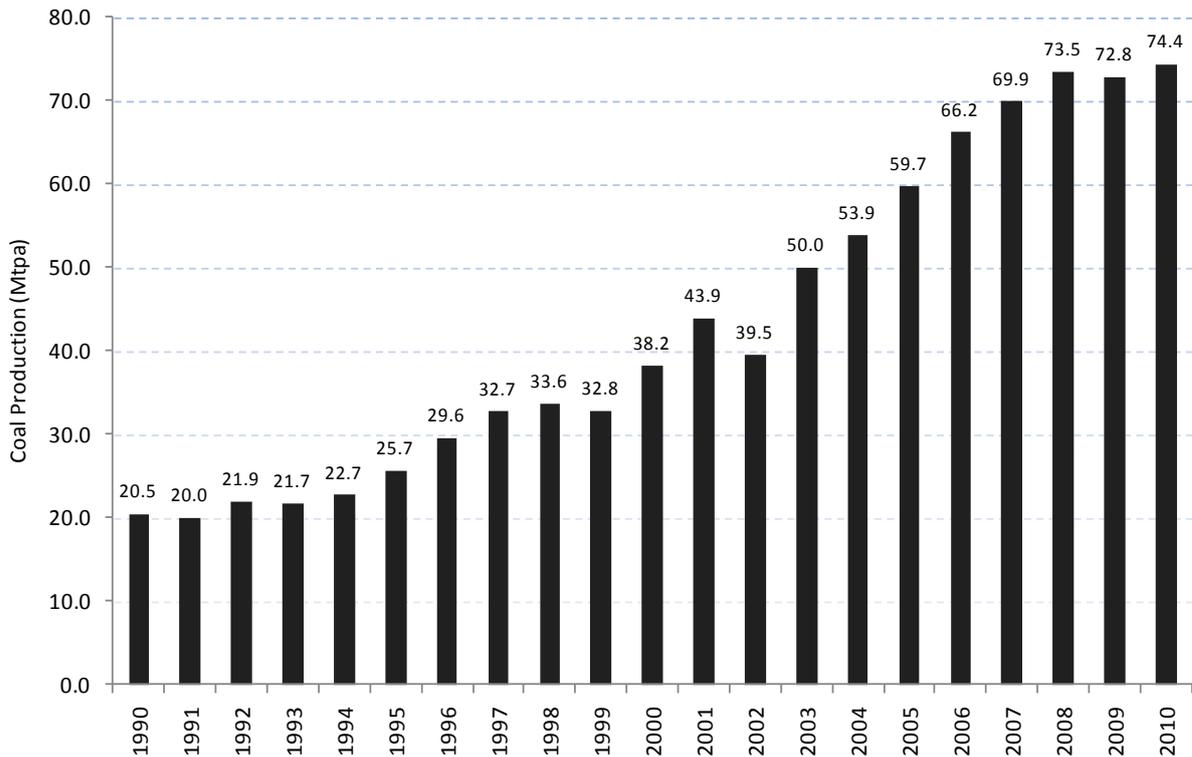
“Colombia has the largest coal resource base in South America estimated in excess of 6.4 billion tonnes and is the world’s fifth largest coal exporter, exporting 68Mt in 2010. Colombia has undergone rapid improvements over the last five years in political stability, safety and security. It is now ranked as the 3rd most attractive investment destination in Latin America, according to the Fraser Institute, and is quickly becoming one of the more desirable destinations for mining investment.”

“We commenced our activities on the ground in Colombia in February 2011 with the assistance of Aurora, working together on a confidential basis and have already identified a significant number of attractive investment opportunities. Today we are very happy to formalise our relationship with Aurora and anticipate moving quickly to acquire and develop a quality portfolio of attractive thermal and coking coal projects.”

Overview of the Colombian Coal Sector

Colombian coal production and exports rose to record levels in 2010, with coal production of 74.4Mt and exports of 68.1Mt, ranking Colombia as the world’s fifth largest coal exporter.

Figure 1- Colombian Coal Production



(Source: Ministerio de Minas y Energia, Republica de Colombia)

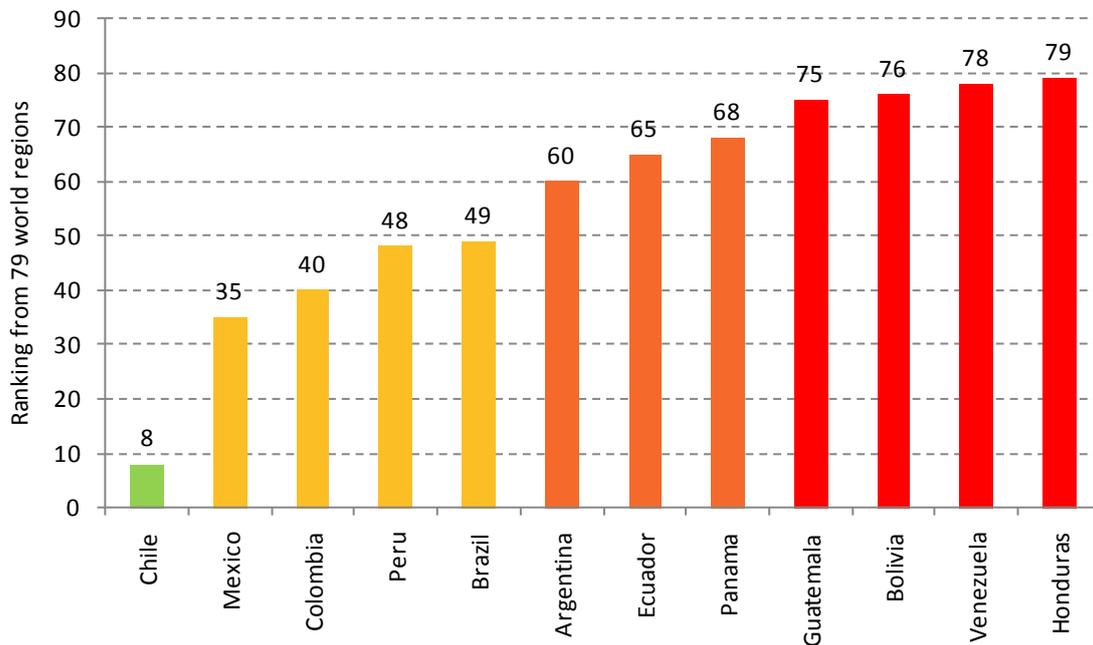
Colombia has the largest coal resource base in South America, estimated to be in excess of 6.4 billion tonnes, with the majority of thermal coal resources located in the Guajira and Cesar provinces, and the majority of the coking coal resources, estimated to be in excess of 1.4 billion tonnes, located in the North Santander, Santander, Cundinamarca and Boyacá provinces (Figure 3).

Colombia – An Emerging Investment Destination

According to the Fraser Institute Annual Survey of Mining Companies 2010/2011 (released March 2011), a benchmark for gauging global mining risk, the main positive improvement within Latin America is the emergence of Colombia as an attractive investment destination.

In the 2006/2007 Fraser Report, Colombia was ranked seventh within the region behind Chile, Mexico, Brazil, Argentina, Ecuador and Peru. The 2010/2011 report ranks Colombia in third place in South and Central America, only behind Chile and Mexico. Of the 79 global jurisdictions covered in the Fraser Institute Annual Report, Colombia is currently rated as the third highest in terms of mineral potential.

Figure 2 - Fraser Institute Ranking of South and Central American Countries



(Source: Fraser Institute Annual Survey of Mining Companies 2010/2011)
 (Note: the lower the ranking the better)

About Aurora Energy S.A.

Aurora Energy S.A. is a joint venture between the major shareholders of C.I. Entrelink S.A, trading as Polminera ("Polminera") an equipment and consumable supplier to the coal mining industry in Colombia and FWS Consultants Limited ("FWS Consultants"), a geological consultancy based in the United Kingdom. Aurora is fully supported by FWS Consultants and Polminera in its partnership with NAE.

Polminera was founded in 1989 and is focused on supplying mining, mineral processing, safety and rescue equipment to the Colombian coal mining sector. It is well known in Colombia as a provider of high quality, independent consultancy services, training and technical support.

Polminera is led by Guillermo Vollert, Hans Friedrich Roa, Ricardo Pedroza and Carlos Felipe Barrera and has 5 agency offices covering the main coal mining regions of Colombia (Figure 3). It has a client base of over 100 mining companies primarily in the coal and gold sectors and is well supported by its network of UK and European mining contractors, consultants and suppliers.

Polminera and Aurora have the following agency arrangements in Colombia:

- Exclusive supplier of safety and mine rescue equipment to Ingeominas, the Colombian Institute of Geology and Mining.
- Colombian representative for Parnaby Cyclones, a leading UK mineral processing equipment supplier. Parnaby Cyclones has clients worldwide and its recent Colombian activities include the construction and installation of a 100 tonne per hour dense media and 50 tonne per hour dense media cyclone plants for washing coking coal.
- Exclusive Colombian agent for leading European underground mining contractor and consultant Building Business Bridges UK Ltd, which focuses on provision of managed personnel to mine operations, consultancy services and procurement and supply of all mining equipment.

Figure 3 - Major Colombian Coal Basins and Poliminera Offices



FWS Consultants is a well-established, UK based independent geological and environmental consultancy led by Principal Consultant and Managing Director Dr Frederick Smith. FWS Consultants has significant experience within various sectors of the mining industry, including coal, potash and shale gas. Importantly, FWS Consultants has extensive experience within the Colombian coal industry and has undertaken a number of geological, coal processing, open pit design and underground mine mechanisation studies in Colombia since 2004.

FWS Consultants draws upon a significant network of expert UK and European coal mining and processing engineers, many of whom are familiar with operating conditions (geological structures and seam thicknesses) similar to those encountered in Colombian coalfields.

Key Terms of the NAE-Aurora Partnership

A Joint Venture Agreement was signed between NAE and Aurora on 5 May 2011, which details the following elements of the NAE-Aurora Partnership:

- The NAE-Aurora Partnership is an exclusive vehicle for NAE and Aurora to undertake investment activity in the Colombian coal sector for an initial two year period.
- Upon successful acquisition of a project, a new company (“Newco”) will be incorporated to develop and operate the project, with NAE holding a 90% interest in the Newco and Aurora holding the remaining 10%.
- NAE will sole fund expenditure up to a maximum of US\$10m per project. Thereafter, Aurora has the option to remain a participant in the project by funding their share of expenditure, or convert their project interest to a royalty.

ENDS

For further information please contact:

Victoria Thomas
Six Degrees Investor Relations
victoria@sixdegreesmedia.com.au
+61 3 9674 0347

Gary Fietz
Managing Director
New Age Exploration
+61 3 9614 0600